GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1946
ANSWERED ON:11.12.2008
BIO DIESEL PURCHASE POLICY
Gadhavi Shri Pushpdan Shambhudan

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) Whether the government has announced any Bio-Diesel Purchase Policy;

(b) if so, the details thereof;

(c) whether the government is not able to get any benefit from this policy;

(d) if so, the details thereof;

(e) whether the Government has decided to review the Bio- Diesel Purchase Policy; and

(f) if so, the details thereof?

Answer

MINISTER of STATE for PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a&b) : To encourage production of bio-diesel in the country, the Ministry of Petroleum and Natural Gas has announced a Bio- diesel Purchase Policy, in October, 2005, which became effective from 1.1.2006. Under this scheme, Oil Marketing Companies will purchase bio-diesel for blending with High Speed Diesel (HSD) to the extent of 5% at identified purchase centres across the country. OMCs would buy bio-diesel at a uniform landed price, which is to be reviewed every six months. At present the purchase price of bio-diesel is at Rs. 26.50 per litre w.e.f. 22.8.2006.

The Policy has identified 20 purchase Centres of the public sector Oil Marketing companies (OMCs) all over the country. The OMCs would purchase bio-diesel meeting the standards prescribed by the Bureau of Indian Standards (BIS), from those bio- diesel manufacturers who register with them after satisfying the technical specifications, at a specified delivered price. Depending upon felt need and preparedness, the OMCs could also open more purchase Centres.

(c&d): Public Sector Oil Marketing Companies have not been able to purchase bio-diesel at the identified purchase centres so far, as the parties who have expressed interest are not willing to supply at the declared price. Facilities are not yet ready with other parties who have expressed their interest.

(e): No, Sir.

(f): Does not arise.